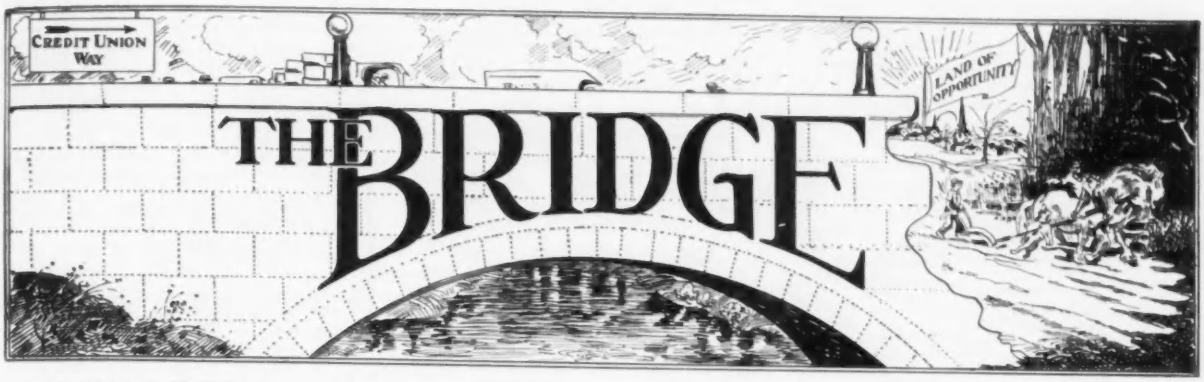


Vol. II, No. 5 THE BRIDGE October, 1925

TELEPHONE BACK BAY 8420-8421-8422-8423

ROOM 950 PARK SQUARE BUILDING

ASSOCIATED INDUSTRIES OF MASSACHUSETTS

INDUSTRIAL RELATIONS DEPARTMENT 31 ST JAMES AVENUE BOSTON 17

Credit Union League,
5 Park Square,
Boston, Mass.

October 14, 1925.

Gentlemen:

I am very glad indeed to learn that you are planning to make your exhibit at our Annual Meeting the opening gun of your campaign to acquaint more people in Massachusetts with the advantages of the Credit Union. Our staff is glad to offer its assistance wherever possible in extending your good work.

I hope in your exhibit you will tell our members of this striking development and will point out the individual examples which you have furnished me. For instance, the N.E. Tel. & Tel. Company whose Credit Union is only seven years old with 13,000 members and assets of $1,250,000. Or you might use the example of Bird and Son of E. Walpole, with 727 members and nearly $50,000 in resources. I hope you will muster these and many other examples of similar success in our own industrial concerns because these figures are convincing in their proof of the stability of Credit Unions and their sound foundation.

I understand that the Credit Union in the industrial plant accomplishes three things:

First - It promotes thrift by making saving easy on a weekly basis and in small units.
Second - It offers all employees short term credit so that they can avoid the loan shark.
Third - Entirely managed by the workers it gives them a real insight into money matters.

I realize of course that these ends are accomplished by many other agencies and I know you believe with me that the best plan is to encourage savings and develop self-reliance through as many different channels as possible. I am inclined to agree with the statement that the Credit Union's greatest accomplishment is in Americanization.

It is interesting to note that you will find that the Credit Union is just as useful in the group of fifty employees as in the group of five thousand. I hope you will give examples in connection with your campaign which will demonstrate the truth of this statement since the problem of the employee in the small plant is in many respects the most difficult.

Very truly yours,

E. Grosvenor Plowman

Industrial Relations Secretary.

ROEBLING'S OF NEW JERSEY SHOWS FINE PROGRESS FIRST YEAR.

The employees of the John A. Roebling's Sons Company of Trenton, New Jersey, started their Credit Union late in the summer of 1924. It is already (October 1, 1925) serving 784 of the 3500 men and women employed at the Trenton plant, making of them regular weekly savers, and providing them with needed credit for provident purposes. During the first year the Credit Union loaned a total of $9,358 to 77 of its members. This fine industrial Credit Union is fortunate in having so capable and natural a Credit Union leader as Mr. Elmer E. Sweeny for its president. Mr. Sweeny contributes considerable time making the fact of the Credit Union's existence known to the large number of employees in the plant and explaining just what service it can render. Something of the preliminary interest leading to its organization is contained in the following written by Mr.

Elmer E. Sweeny, President, Roebling's Credit Union, and His Six Lovely Children.

Sweeny for publication in the Company's house organ, "*The Blue Center*":

"During the Great War many of the Company's employees bought Liberty Bonds on a weekly installment basis. In this way many persons saved regularly who previously had never saved anything. When the Bonds were fully paid for they represented the first purchase of the kind that many of them had ever made. This regular saving, with its weekly pay envelope deduction, was a very easy way to accumulate a little "nest egg" for the future.

"A desire was manifested by many of the employees, both here and at Roebling, N. J. (the Company has another plant at that point), to continue saving in that systematic way after their Bonds were fully paid for. Fearing legal complications it was not deemed wise to continue making weekly deductions from wages.

"Since that time conditions have changed and on March 6, 1924, a law was passed by the Senate and General Assembly of New Jersey, called 'An Act to Provide for the Incorporation and Regulation of Credit Unions'. This law allows the employees of one company, employed within one county of the state, to band themselves together in such organization, to encourage savings, to furnish temporary financial assistance when properly secured, and to carefully invest the funds in their possession so that profit may be earned thereby.

"At a luncheon given by Senator Harry D. Leavitt at the Stacy Trent, July 31, 1924, to representatives of a dozen leading manufacturers of this city, Credit Unions for Trenton were first discussed. The first link to connect it with this Company was a conversation between Mr. Roy F. Bergengren, Executive Secretary of the Credit Union National Extension Bureau, and Mr. Harvey Cooley.

"After some correspondence between them, the Field Secretary, Miss Angela Melville, came to Trenton and met a small group of representative employees to talk over the proposition. At this meeting a larger meeting was planned to cover as many departments as possible. At this meeting, over thirty departments being represented, and interest seeming to warrant it, a committee of three was appointed to draft by-laws to be presented at a meeting to be held on October 3, 1924, on which date it was hoped that organization might be effected.

"This meeting was duly held and the large group was addressed by Miss Angela Melville of Boston. Miss Melville, in her forceful way, convinced us that a credit union was just exactly what we needed, so we proceeded to organize."

This was the beginning of a Credit Union which, during its first year, did a total business of $51,120.00.

INDIANA LEAGUE HOLDS FIRST MEETING.

The first meeting of the Credit Union League of Indiana was held October 9 at the Chamber of Commerce Building, Indianapolis, at which time the permanent organization was formed.

The following officers and directors were elected: Horace Ryan, Ayres Credit Union, President; C. Symons, Wasson Credit Union, Vice-President; Oliver R. Raney, Diamond Chain Credit Union, Secretary-Treasurer; Directors: C. Schrader, South Bend Post Office Credit Union; W. A. Summa, Indianapolis Post Office Credit Union; A. Armstrong, Columbia Conserve Credit Union; G. W. Rabinoff of the Jewish Federation.

Indiana is the first of the States in the Middle West to organize a credit union league.

FIRST CREDIT UNION IN WEST VIRGINIA — HUNTINGTON POST OFFICE ORGANIZES.

First to organize a credit union in West Virginia, under the bill authorizing the formation of these institutions passed by the legislature at its last session, are the employes of the Huntington, W. Va., post office. Through the helpful co-operation of Postmaster Le Sage, the employees of this office had their first meeting on October 15. Officers elected at this meeting are Sam Shawver, President; E. L. Goolsby, Vice-President; W. D. McCaffrey, Treasurer; and Miss Mabel Smith, Secretary. Members of the Board of Directors are Sam Shawver, George Farrell, W. D. McCaffrey, George Koepfer, E. L. Goolsby, Lucien Stephens, Lewis Trent, Miss Mabel Smith and Fred Lunsford. Members of Credit Committee: S. V. Gallaway, H. M. Hartley, Jay Barbour, T. E. Dunkle, and T. C. Young; Supervisory Committee: O. B. Wylie, L. D. Buehring, and G. B. Booten.

The matter is under consideration at the Charleston Post Office where, in the absence of Postmaster Eccles, the Assistant Postmaster, Mr. Garrett, co-operated most effectively with Miss Melville of the Bureau. The employees of this office have decided to organize relatively soon.

FIRST CREDIT UNION IN ILLINOIS —BELDEN CREDIT UNION ORGANIZES.

The first credit union in Illinois was organized on Wednesday, October 14, among the employees of the Belden Manufacturing Company, Western Avenue and 23rd Street, Chicago, and a petition for a charter on behalf of this group has been filed with the Auditor of Public Accounts. This plant employs 1200 people. Mr. R. F. Johnstone, General Superintendent, and his assistant, Mr. Charles S. Craigmile, initiated the effort. The first meeting was attended by about twenty representatives of all parts of the factory, and all present signed the petition for the charter. A second meeting was held on October 17th to perfect by-laws.

This Company is a member of the Illinois Manufacturers Association which organization has been co-operating most effectively with the Bureau in the Illinois work.

NEWS FROM THE PIONEERS

Miss Frances P. Habern
Massachusetts Editor

"We are glad to state that our present status is most satisfactory to us all; in fact, we are somewhat surprised when we realize fully the progress which we have made since our organization. We have a membership of something over 300— . . . . of whom over 60 are borrowers; have made well over a hundred loans to date, without a single loss or bad debt . . . . . and we hope to pay at the end of our fiscal year, interest at the rate of 4½% and dividends at the rate of 5%. We had no idea that so many people in the Graton & Knight organization needed money; and for the most part, they are people who would have no credit standing elsewhere, in which respect, of course, we are rendering a most decided service."

Quoted from a recent report from the Graton & Knight Employees' Credit Union, of Worcester.

FISCAL YEAR ENDS OCTOBER 31.

Don't forget to have the Annual Report for your Credit Union ready on time. We don't want to hear of any Credit Union having to pay a fine for delinquency in filing its report. "A word to the wise," etc.

CREDIT UNION ASSISTANTS.

The League office is in touch with two young women and a young man who are very anxious to secure employment with Credit Unions. The young women, both of whom have had Credit Union bookkeeping experience, would each like permanent employment or perhaps two part-time places, while the young man, who is a day student at Harvard, could give several evenings a week to the work.

If interested, please get in touch with Miss Habern.

OPINIONS OF SOME INDUSTRIAL CREDIT UNION MANAGERS AS TO GREATEST SERVICE RENDERED BY THEIR RESPECTIVE CREDIT UNIONS.

"Our Credit Union has increased the savings of its members by making it easy to save in small amounts."

Mark Adams, Pres. Lowell Bleachery Credit Union.

"The greatest service of the Blake-Knowles Credit Union is CREDIT, whereby provident loans are granted with simplicity, alacrity, and dignity, which contributes to better satisfaction and more contentment among workers."

G. L. Sullivan, Treasurer, Blake-Knowles Credit Union, Cambridge.

"The opportunity for convenient co-operative savings and co-operative loans, is by far the most important part of the service which the HYGRADE Credit Union gives to its members."

John S. Learoyd, Jr., Treasurer, Hygrade Credit Union, Salem.

"The inculcating in our employees of habits of thrift, and the providing of an institution from which persons having no credit standing elsewhere may obtain loans at reasonable rates."

C. O. Martindale, Clerk, Graton & Knight Employees' Credit Union, Worcester.

"By developing the habit of thrift, the Credit Union has served to create many savings accounts where previously there were none."

Winthrop C. Turner, Treasurer, Crossett Credit Union, North Abington.

"The one outstanding feature developed since the organization of the Credit Union is the habit of systematic saving."

J. H. Wilcock, Treasurer, Hamilton Credit Union, Southbridge.

"By deducting a stated amount each week, so that the depositor will have enough to pay his taxes when due and buy his coal when it is cheapest."

A. W. Smith, Treasurer, Neponset Credit Union (Bird & Son), E. Walpole.

FIGURES THAT TELL THEIR OWN STORY.

The Polish National Credit Union of Chicopee shows by its latest statement that it has gained in assets to date during the year upwards of $64,000 and 151 members.

Figures from the People's Credit Union, Winthrop, tell us that that Credit Union has gained in assets during the year something like $37,000.

Filene Co-operative Association Credit Union has gained in assets about $20,000.

ASSOCIATED INDUSTRIES EXHIBIT.

Through the courtesy of the Industrial Relations Group of Associated Industries of Massachusetts the League was invited to contribute to the exhibits held at the Annual Meeting of the organization on Wednesday and Thursday, October 21 and 22, at the Copley Plaza Hotel, Boston.

Our exhibit depicted a typical industrial plant Credit Union member, whom we called "Jack", with Jack's home and Flivver, both partly financed by his Credit Union; the factory which employs him; the loan shark waiting for the unfortunate ones to come from the factory; the wild-cat promoter in the background; the employees' Credit Union in the plant, and the directors of the Credit Union "talking things over".

Other industrial exhibits were: The State Department of Vocational Training; the Life Extension Institute; the Boston Better Business Commission, Inc.; The State Savings Bank Life Insurance; The Junior Achievement Bureau of the Eastern States League; Massachusetts Normal Art School; Massachusetts Safety Council; American Engineering Council—Studies of Coal Buying; U. S. Department of Commerce—Studies of Standardization; U. S. Bureau of Foreign and Domestic Commerce; U. S. Bureau of Standards; U. S. Bureau of Simplified Practice; The Technical Department of the Associated Industries of Massachusetts.

The Credit Union League exhibit was visited by many employment managers from all over the state. Among our own members were Mr. Learoyd of the Hygrade Credit Union, Salem; Mr. Sullivan of Blake-Knowles Credit Union, Cambridge; Mr. Ball and Mr. Cramer of Graton & Knight Employees' Credit Union, Worcester; Mrs. R. H. Smith of M. S. Wright Company Credit Union, Worcester; and Mr. Truelson of Norton Credit Union, Worcester.

The League is very glad of the co-operation of Associated Industries of Massachusetts. We look forward to assisting industrial groups in the formation of Credit Unions in their plants.

We are particularly grateful to Mr. E. Grosvenor Plowman, Industrial Service Secretary, for his very efficient co-operation in this matter.

ANNUAL MEETING
WEDNESDAY, DEC. 9, 1925.
SET ASIDE THIS DATE.
Place of Meeting to be Announced Later.
DON'T FORGET TO SEND IN THE NAME OF YOUR CANDIDATE FOR DIRECTOR BEFORE NOVEMBER FIRST!

TO YOU—
INDIVIDUALLY AND COLLECTIVELY!

This is for you, Mr. John and Mrs. John—for the individual man and the individual woman; through you it is addressed to the organizations of individuals with which you are associated—an organization of business men, possibly, the Chamber of Commerce of Jackson, Mississippi, or the Chamber of Commerce of the United States—the local Kiwanis Club in my town or the Kiwanis International—the banker, the Bankers' Club, the State Bankers' Association or the American Bankers' Association—the Y. M. C. A. in a little town or the great national organization of the "Y"; individually YOU can co-operate in the national development of credit unions; collectively you can multiply to infinite degree the value of that co-operation.

Why should you?

For two reasons: *the credit union work is a completely disinterested public service and the goal we strive for is worth attaining.*

When a credit union is organized no one benefits a penny's worth—except the members of it and society—*for society always benefits when the lot of any group within the social order is improved.* Money has a social value, and the possession of money, while in one sense it broadens the individual freedom of action—in another sense takes it away. It does not excuse the good swimmer, who sits on the shore perched on a pile of life preservers and complacently watches a drowning, that he did not push the victim in. Opportunity breeds responsibility.

The parable of the Good Samaritan—was it written for a man with a portly 20th Century bank account to make him realize that his checks will probably be no good in the next world, where, possibly, the only acceptable currency will be issued against the good he accomplished in this one? Splendid things are being done these days by men of wealth who recognize this responsibility that attaches to their accumulations.

Why, then, should the individual, the association of individuals, the man or woman whose opportunity is limited to assisting in the organization of a single credit union group, the man or woman seeking such outlet for their money as will insure that it serves a fine and high purpose—why should they—any or all of them—co-operate in the credit union development? Why should the Chamber of Commerce of the United States be interested—or the American Bankers' Association? *Because the credit union is geared to serve people in the mass* and because, by this service, it will play an important part in the perfection and preservation of our democracy. Think of the possibilities for a minute; it will help the United States as a nation by helping our people to be a thrifty people; at a time when the national inclination is to break away from essential virtues, the credit union stresses *the* essential virtue—thrift. It will contribute in unique and extraordinary fashion to eliminate usury as practised on the great multitude of small borrowers without bank credit. The credit union will work continuously and effectively to educate people in matters having to do with an understanding of money. If it helps a bit to assure a widespread participation on the part of the masses of the people in the economic development of the United States, it will thereby make for that stability and understanding essential to the protection of our democracy from the "isms" that so easily beset it. To accomplish its mission—the credit union must be applied on a nation-wide scale; to be so applied—Mr. John and Mrs. John—to you individually and collectively it must look for practical support. There are now credit union laws in half the States; for the first formative years in each State there should be a secretary to carry on the local work and such a secretary must be financed. After a few years in which to get the initial credit unions organized and operating—the credit unions will, themselves, carry on the broader development.

Meantime — we have reached the place where the initial development is imperatively necessary and the credit union in your State looks to YOU to make the credit union law effective.

THE CREDIT UNION BOOKKEEPING PRIMER.

Second installment of a series of articles on Credit Union Bookkeeping. Complete series to appear later in pamphlet form. Earlier issues will be forwarded on application.

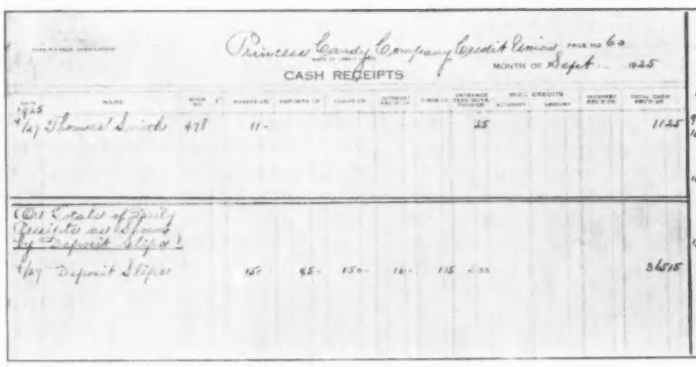
As soon as Tommy joined the credit union and had pocketed his passbook and walked away, it was my next job to prepare a Share and Deposit Card for him. The business transactions of each credit union member with the credit union are recorded on cards in fashion similar to Tommy's card, which is reproduced below. The next step in connection with this transaction was to enter Mr. Smith's transaction on the Cash Receipt Sheet for that day. Some credit union treasurers follow a different plan. They allow the deposit slips to accumulate on a spindle during the day and at the end of the day's business make a single entry on the Cash Receipts Sheet (in the alternative form indicated on the sheet reproduced on this page). As it will simplify matters in following a typical series of credit union transactions, I am adopting in this case the individual entry plan.

Some weeks elapsed, and Tommy's savings accumulated until not only had he paid in full for his original subscription to four shares, or twenty dollars, but he had paid for an additional four shares (some weeks paying in more on each share than the weekly installment of twenty-five cents, as he is permitted by the by-laws of the credit union to do so long as he pays in multiples of twenty-five cents), and was paying on account of his third allotment of four shares; so that at that time there was to his credit in the credit union, his original two paid-up shares of $10.00 plus his eight shares paid for in installments, $40.00, making a total of $50.00, and payments on account of the third allotment of four shares, which at the time totalled $10.00, making a grand total of $60.00. See Share column of Tommy's card for present status of his account.

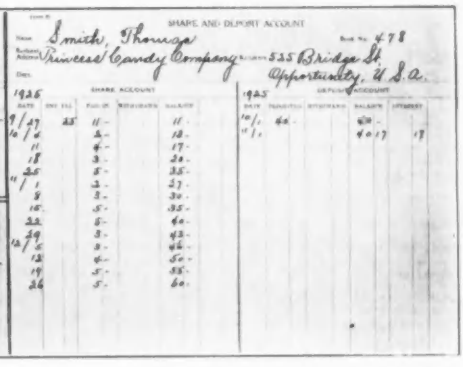
In our credit union, dividends are payable annually after the end of the fiscal year. As no fiscal year period has ended as yet while Tommy was a member, no dividends had been added, but following the usual practice, dividends would be figured at the end of the fiscal year on his shares from the time each $5.00 share was paid for in full.

During this period, however, the annual bonus at our plant had been declared and paid, which netted Tommy $80.00, with one-half of which he had started a deposit account. This deposit bore interest from the first of the month following the day the deposit was made. It is our rule to compute interest every three months. As Tommy's deposit was made October 1st, one month's interest had been added, November being the end of an interest period. For the present state of Tommy's deposit account, see the Deposit side of the Share and Deposit Card reproduced on this page. It will be noted that interest in our credit union is paid at the rate of 5%.

About this time Tommy had his golden opportunity, and in the next issue we will describe how the credit union loans money to its members. In Tommy's neighborhood was a garage in which he kept his ancient flivver; Tommy's younger brother, Bill, was a good automobile mechanic and worked at the garage and knew the business; the man who owned it got the Florida fever and offered the garage to Bill at a ridiculously low price, and Tommy and Bill put their heads together to see whether or not they could swing it for a quick buy; Tommy began to think of the credit union in terms of credit.



Daily Cash Receipt Sheet



Individual Share and Deposit Card

While we are waiting for Tommy to file his loan application it may be well to speak briefly of the machinery which operates the Credit Union. The ultimate power and control in any co-operative society is vested in the members. At annual and special meetings, in which each member has a single vote whatever his share holdings, the officers are elected. They consist of a Board of Directors (large enough and so chosen that all parts of the plant will be represented if the Credit Union is, like ours, an industrial Credit Union), a Credit Committee of three or five and a Supervisory Committee of three, all elected by and from the members. The Directors are not only directors in the ordinary sense, having jurisdiction over the general business affairs of the Credit Union, but they are also salesmen, each director being responsible for the particular group from which he was selected. So, if Mr. John works in the shipping room it is up to him to interest his fellow-workers and to get them not only to join but to make the maximum use of the Credit Union. The Credit Committee passes on loans, determining the conditions of the individual loan within the general restrictions imposed by the law and the by-laws. When we come to consider Tommy's loan we will see just how the Credit Committee functions in a specific case.

The Supervisory Committee is in reality the auditing committee, with the duty to make a relatively frequent examination of the books and to keep the members in touch with any findings which at all affect the successful and proper operation of the Credit Union. The Directors choose, from their own number, at a meeting immediately following the annual meeting of the members, a President, Treasurer, Vice-President and Clerk. The Treasurer and the Clerk may be the same person. The Treasurer is the General Manager and the Clerk serves both the members in their meetings and the Directors.

PRACTICE—NOT THEORY

By A. N. F.

Massachusetts	Louisiana
New Hampshire	Kentucky
Rhode Island	New Jersey
New York	Tennessee
Virginia	Indiana
North Carolina	Wisconsin
South Carolina	Texas*
Mississippi	Oregon*
Nebraska*	Utah*

Iowa (enacted April, 1925)

Minnesota (enacted April, 1925)

West Virginia (enacted May, 1925)

Michigan (enacted May, 1925)

Illinois (enacted June, 1925)

Georgia (enacted August, 1925)

*Law in need of amendment to make possible typical credit union organization and operation.

More Paragraphs from "Some Hints as to Usual Credit Union Practice."

INTEREST RATES CHARGED ON LOANS.

Credit Union laws do not usually bear limitations as to the rate of interest which may be charged on loans, though it is specified that these rates must be "reasonable." Often 6% discounted (paid in advance) or 1% a month on unpaid balances is charged. Many Credit Unions finding they can function and pay dividends and still charge less, do so. Some charge less on certain types of loans only, for instance home-building loans. Some give rebates on interest when the loan is paid on time.

When a loan is completely paid up a month or more ahead of the time specified in the note, a proportionate part of the interest is usually returned to the borrower. Periods of less than a month are not generally considered.

Credit Unions are co-operative organizations for *service*. As the *primary purpose is to serve rather than to make a large profit* interest rates should be kept as low as is consistent with a fair dividend and a fair deposit rate. Further, the rate of interest should be interpreted as the *real rate charged*. For example, Credit Union A charges one percent a month on balances—a true 12% per annum; Credit Union B charges six percent discounted at the time the loan is made and requires weekly repayments. *Both Credit Unions are charging approximately the same rate—a true 12% per annum.* The borrower should know what the actual rate is that he is paying. Further: *"service charges" are simply another form of interest* and *making a service charge is not good credit union practice.* It were much better for the Credit Union to charge whatever actual rate of interest may be necessary in order to pay its operating charges, build up its reserves and pay a fair dividend and a fair interest rate on deposits.

DIVIDENDS.

For the first few years, until it is clear what part of the profit may be required in any year for the incidental expenses of operation, *dividend declarations should be conservative.* It is customary to lay aside in a Surplus or Undivided Profits Account, a certain proportion of net earnings. This account may be called on in any year to pay or increase dividend payment, and it is good practice to build up such an account. One very conservative department store Credit Union earned 6% on shares its first year, but paid only a 3% dividend, putting aside the other 3% in an Undivided Profits Account.

After a Credit Union is fully established and understood by its group of members, it is possible to reduce dividends for good reasons, but that is a very different matter from reducing dividends because of a too-generous payment in earlier years. A large municipal Employees' Credit Union which had paid a 7.2% dividend ever since its organization (eight years), recently made a step in the right direction when it reduced dividends to 6%, at the same time reducing interest rates on loans. The purpose was advertised to the members a year before the reduction was made, and the annual statement issued at the time the reduction in dividend actually went into effect, says: "It was felt that it was unfair to require borrowers to pay 12% interest for the purpose of continuing a 7.2% dividend rate to investors," and adds, "The announcement of a reduced dividend rate has had no perceptible effect on the amount paid in on shares."

Here speaks the spirit of co-operative endeavor—*Service for the group rather than profit for one part of the group at the expense of the other.*

A study of dividends paid by 71 Massachusetts Credit Unions in 1922, shows that

23 or 32.2% paid 6%	Dividend of between 6 to 8% paid by	61.7%
10 or 14% paid 7%		
11 or 15.4% paid 8%		
19.6% paid less than 6%		19.6%
Over 8% paid by 9.8%		9.8%

Credit Unions usually pay dividends only on fully paid shares, and these draw their pro rata of dividends as of the first of the month following payment in full.

When a member is buying a block of shares, say ten, on the installment plan, while his weekly payments apply to the purchase of the block, nevertheless the usual practice as regards dividend payments on such a purchase is that as soon as the amount of money paid in on shares equals the amount of one fully paid share, that amount is regarded as a fully paid share and draws its pro rata of dividends as of the first of the following month, as described above. The fairness of this will be readily seen.

Copies of complete pamphlet available by application to the Bureau.

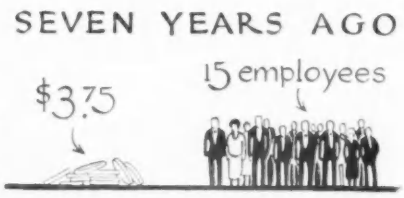
CREDIT UNIONS BREAK THIS UP.

$450,000,000 Hoarded.

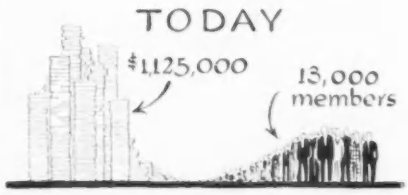
WASHINGTON, Sept. 25 (United News).—The old fashioned, home-style money repositories are still giving the banks a run for it.

In mantlepiece vases, the place under the rug and the various other hiding places in the homes of the nation, is hoarded more than $450,000,000, Treasury Department officials estimate.

First in the list of those having little use for banks is the foreigner who has tucked away somewhere close to $250,000,000. The rural population comes next and is said to keep close to $125,000,000 out of circulation.



The growth of the Credit Unions of employees of the N. E. Tel. & Tel. Co., as depicted in *The Red Barrel*, (house organ of the Coca-Cola Co.).



A REMARK FROM ONE WHO KNOWS.

"I have been in the banking business twenty-nine years and I have yet to see a banking system that will take the place of the Credit Union."

So says Mr. F. R. Sawyer, Treasurer of the Mansfield Credit Union and Assistant Secretary of the United States Trust Company of Boston.

Mr. Sawyer's Credit Union is doing excellent work in the community surrounding the Town of Mansfield, and at the end of the fiscal year will show a wonderful gain in assets and membership. This is all largely due to the genial personality, courtesy and perseverance of its very capable Treasurer.

The Bridge Tender

The telephone rang. It was early and it was cold. I stuck my nose out from under the comforter and, finding it was early and cold, stuck it back again hoping the early bird on the other end of the line would get discouraged and ring off; but he didn't, and finally I dragged out of bed to greet him with a testy "hel-loa"; it was the Bridge Tender who is always emulating the early bird and generally getting away with it. "Hey you—, lazy son-of-a-sea-cook—what do ye mean dreamin' th' golden mornin' hours away; shame on ye! I tried t' get ye last night and tell ye th' news; got a letter late yesterday afternoon that our credit union charter has been granted." I could find it in my heart to forgive him for I knew this was big news so, after extending due felicitations, I asked him: "What next?"

You hardy readers of this column will recall that, under the inspiring leadership of the Bridge Tender, we had gone about the business of organizing a credit union out in our suburb, to be known as the Neighborhood Credit Union; that we had had our preliminary meetings and our hearing before the Board of Bank Incorporation at the State Capitol, and here was the good news that that most august and venerable body had decided we could have a credit union if we wanted one. "What next?"—says the shivering me to the exultant Bridge Tender. "Why—next we meets to draft by-laws and elect officers, and I suggest we meet at the school hall," (where our first meeting had been held) "for that purpose of a Thursday night, a week from to-night; the law says we must give seven days' notice of th' meetin' and this is the only notice you'll be gettin'."

He apparently examined his law more carefully a bit later, however, for in due time I got a postal card telling me of the meeting on Friday evening of the next week so that the "seven days' written notice of the first meeting" requirement was fully complied with.

We met at the hour of eight on the day appointed; all of the petitioners were there—the Bridge Tender in command: Addison Straight, Prunella Worship, Cashion Fechette, Handy Toolan, Miss Susan Huckleberry and myself—together with a representative group of prospective members. While only those who had signed the original petition had votes in this first meeting the Bridge Tender had very carefully invited everyone to whom he expected to look for his original board, committees and officers. This first meeting is interpreted to be the first annual meeting for the purpose of perfecting the credit union machinery; the petitioners constitute the original membership and at all subsequent annual meetings (held in our state in the month of November after the close of the Credit Union fiscal year, October 31st) all members have a single vote in the matter of determining officers, etc. Membership is determined by a subscription to at least one share, payment of the entrance fee (generally ten or twenty-five cents) and the first installment on the original subscription to the shares.

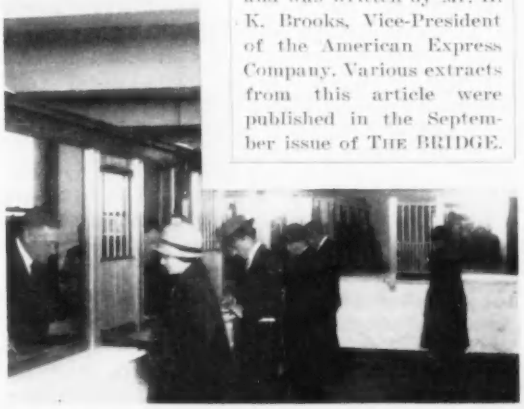
The Bridge Tender called the meeting to order and explained what it was all about and suggested modestly the need of a temporary chairman and a temporary clerk. He was promptly chosen Chairman, and Miss Worship, our school principal, was chosen temporary clerk by acclamation. Both were duly, appropriately and solemnly sworn to the faithful performance of their respective duties. From President of the United States down to temporary clerk of a credit union we take no chances—we swear 'em all; I have often wondered just what crimes an unsworn temporary clerk would commit; but anyway we swear 'em.

That brought us to a consideration of the "by-laws". The Bridge Tender ran true to his invariable form; he is like the prestidigitator with the bottomless hat—from which he can produce anything from an American flag to an apparently complacent guinea-hen; he reached down into his hat and produced a set of by-laws—all ready for our consideration in the November BRIDGE.

AT CHARLESTON, WEST VA.

Mr. McKinley, Superintendent of the Libbey-Owens Sheet Glass Company of Charleston, W. Va., co-operated with the Bureau representative by calling a representative meeting of the employees at the plant to discuss the Credit Union plan, at which meeting Mr. Gerber presided. Much interest was expressed by the group. This is a very modern plant for the manufacture of window glass, employing 1000 or more men—an ideal group for Credit Union operation.

Reprints are now ready (and may be had on application addressed to Arthur N. Fernald, 5 Park Square, Boston, Mass.) of an excellent article which appeared in the September issue of *System*. The article is entitled, "Our Workers Organize a Credit Union," and was written by Mr. H. K. Brooks, Vice-President of the American Express Company. Various extracts from this article were published in the September issue of THE BRIDGE.



THE AMERICAN EXPRESS CREDIT UNION
(New York City)
(Courtesy of System)

Under the Umbrella

Writes a correspondent from Oklahoma:

"I am a farmer living six miles south of Oklahoma City, where I have a forty-acre park with community house and everything that goes with a first-class park. It is a gathering place for farmers and city people alike. I propose to have what I call a Wake-Up Farmers' Chautauqua and have speakers to discuss subjects that are of vital importance to the farmers at this time. Among what I consider the ones of most importance is the credit union. If I only had a hundred or two of The BRIDGE to distribute, it would help wonderfully. . . . Old numbers would answer as well. Your June Birthday number is wonderfully interesting and would be an eye-opener to many that are ignorant of the great value to the farmers and wage-earners that credit unions have proven in States that have adopted them."

Employees of the William Shakespeare Company, Kalamazoo, Michigan, through their own association, the Shakespeare Employees' Co-operative Society, recently met to pave the way for a credit union to be organized under the new Michigan law. The Bureau is co-operating.

Through the courtesy of Mr. N. C. Harrison, Vice-President, Atlantic Steel Company, our Field Secretary had the privilege of addressing the Atlanta (Georgia) Section of the American Society of Mechanical Engineers on the subject of credit unions on the evening of October 22d.

Huntington, Indiana, Post Office will operate a credit union for its employees as soon as petition for a charter is granted and the details of organization can be completed. Mr. C. C. Collins of that office is in charge.

The Executive Secretary of the Bureau, while on an organization trip in Illinois this month, accepted the kind offer of the Illinois Manufacturers' Association to make his headquarters at its office in Chicago. Mr. Glenn and Mr. Livingston were very co-operative and helpful in furthering credit union interest among industrial units of their membership.

A credit union article of particular interest to railroad men appears in the current issue of the Journal published by the Brotherhood of Locomotive Engineers at Cleveland. Reprints supplied by the Bureau on request.

The Chicago Post Office Employees' Loan Association, with 1,300 members, will reorganize as a credit union under the Illinois law after their annual meeting in December. The Executive Secretary of the Bureau recently had the pleasure of talking over the proposed reorganization with Mr. Sol Cohen, President, and Mr. Herman C. Heine, Treasurer of the Association.

Through the courtesy of Mr. Webb, Superintendent of the Chesapeake & Ohio Railway in Huntington, West Virginia, and of Mr. Murray, Superintendent of the Shops there, Miss Melville had an opportunity to present the Credit Union plan to this group. The C. & O. shops at Huntington employ about 3500 men, and should they take up the Credit Union plan we predict a very fine development in this group.

Miss Melville had the pleasure of meeting Bank Commissioner Abbott in Charleston, as well as Mrs. Barringer of the Department. The Commissioner expressed his desire to co-operate in all ways to further Credit Union development in West Virginia.

BUREAU REPRESENTATIVE MEETS WITH CO-OPERATIVE GROUP AT BLOOMINGTON, ILL.

By invitation of Mr. A. W. Warinner, Educational Director, Central States Co-operative Wholesale Society, the Executive Secretary of the Bureau spent Sunday, October 11, at Bloomington, Illinois, in conference with a committee representative of the co-operative societies at Bloomington, Villa Grove and Waukegan.

The conference had been called to pass on other matters, but Mr. Bergengren was afforded an exceptionally fine opportunity to discuss with representatives of the three thriving co-operative societies definite plans for the organization of credit unions at Bloomington, Villa Grove and Waukegan.

THE MAISON BLANCHE CREDIT UNION.

Last June when the Field Secretary of the Bureau was co-operating to organize credit unions in New Orleans, the Maison Blanche Employees Credit Union got its start. A recent report from its enthusiastic Secretary-Treasurer, Mrs. Rubie G. Eustis, shows to what extent credit union service takes hold in a group of this sort in a short period of four months. The Maison Blanche Company is a large department store; in fact, it is known as the "Greatest Store South."

The Treasurer reports: "We now have a membership of 159, with a total subscription of 890 shares, of which 634 shares are fully paid as of date September 30th . . . We feel that our growth has been slow in membership, but the value of our credit union is just really beginning to be felt, and the word-of-mouth advertising we are getting from those whom we have been able to help in their time of need is beginning to bear results. . . . By arrangement with the Executives I give one hour of my office time regularly three days a week to Credit Union business, and spare moments when the necessity demands immediate attention. . . . So far only one of our departments has gone over the top with 100% membership in the union, but there are two others that are not very far behind, and one department, which is enrolling today as I write, which will come very close to 100%.

"Up to and including September 30th we had approved 39 loans to members amounting to $4,315.00, of which amount $1,158.50 has been repaid. Five loans have been retired as fully paid. The purposes for which the loans were negotiated were varied, ranging all the way from "buying a winter suit" to "getting married". Operation expenses, illness of members of the family, payment of taxes, adding another room to one's home, payment of paving bill; all of these were assigned as reasons for the loans made to different borrowers."

CHICAGO MUNICIPAL EMPLOYEES INTERESTED.

On October 8th, at the invitation of Miss Louise Chandler, Secretary of the Municipal Employees Society of Chicago, Mr. Bergengren of the Bureau addressed the members of the society at the Chicago City Club. He discussed primarily the value of credit union service to municipal employees, as evidenced by the experience of credit unions of this sort in New York and Boston. The members were much interested and a committee was appointed to undertake organization.